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8 June 1964

MEMORANDUM

SUBJECT: Trends in the World Situation

I. INTRODUCTION

1. The decade of the 1950's witnessed fundamental changes in the structure of world power. The development of Soviet long-range missile capabilities, the Soviet bid for world leadership, the rise of Communist China, the creation of new nations, rapid economic development in the advanced nations of the West, and the birth of the space age -- all altered the outlook for many of the world's peoples. By the end of that decade, in contrast to its beginning, the US no longer enjoyed military invulnerability, unchallengeable world power, or unique economic superiority. It was clear that the world was entering upon a new era. Not only was there a new political and military relation between the major powers, but new leaders were arriving upon the scene, political and social instability had become epidemic in the southern two-thirds of the world, and schisms and heresies were appearing within the Communist camp itself.

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2. The first years of the decade of the 1960's have witnessed the further development of many of the trends in world affairs which appeared during the 1950's as well as the emergence of several new ones. The bipolarity of world politics has further declined, the turmoil in the underdeveloped areas has intensified, questions concerning the operation of military deterrents remain, and judgments regarding the risks involved in international initiatives still perplex policy makers. Among the new tendencies are mounting economic difficulties in the Communist states, the increasing effort of the Soviet leaders to inject a new atmosphere into US-Soviet relations, and the readiness of the current European leaders to undertake broader political experiments at home and to explore new programs and policies abroad. Moreover, the new style brought by President Kennedy to the conduct of foreign relations, the erection of the Berlin Wall, the Cuban crisis of October 1962, the death of President Kennedy, and the succession of Lyndon Johnson were all major international events which have had a profound effect upon international relationships.

3. In the paragraphs which follow these various developments are discussed under five main headings: (a) the evolving role and relations of military power; (b) problems of the Communist world; (c) emerging tendencies within the advanced non-Communist states;

(d) problems and trends in underdeveloped areas; and (e) the outlook for US interests and for a reduction of international tensions.

II. THE EVOLVING ROLE AND RELATIONS OF MILITARY POWER

4. The military situation in the world today, as it has been for the past several years, is essentially one in which both the US and the USSR can inflict enormous damage upon the other. The US possesses greater striking power than the USSR and could wreak much greater damage in the USSR than the latter could in the US. Nevertheless, whatever the precise balance of military power might be, a general nuclear war -- whether brought about by design, accident, or miscalculation -- would kill many millions of people, destroy the capital accumulation of many decades, render large sections of the earth uninhabitable, and destroy the power of most of the modern nations of the world.

5. The crucial current questions concerning strategic military power are not the size, armament, and operational capabilities of opposing military forces, but the manner in which the US and Soviet leaders now view these forces in relation to their own objectives and to the will of their opponents. In this age of mobile striking forces and hardened missile sites, it does not appear possible to

build a military force capable of destroying an enemy's capabilities and simultaneously protecting oneself from unacceptable damage. Even extremely large numbers of high-cost weapons would provide no assurance of victory or even survival. Thus, if there is any valid and rational concept today upon which to develop and measure a strategic military force, it is that of deterrence.

6. But one cannot find any rule for determining that a stated level of forces will deter and that another will not. Deterrence is a mental state, and it depends to a preponderant degree not upon a precise level of forces but upon a variety of other factors such as how the party to be deterred estimates the military forces arrayed against him and the balance of military power, how desperately he wants to achieve a given objective, how he estimates the determination and will power of his opponent, how he estimates the chances of a political confrontation leading to hostilities, and how he estimates the chances of hostilities leading to a general conflict. While it is most unlikely, for example, that the Soviet leaders will choose to carry out actions which they know to carry a high risk of general war, such knowledge is not easy to come by. On most issues which have arisen or appear likely to arise, a good deal of uncertainty has been and is likely to be involved.

7. The Cuban missile crisis of 1962 has helped to emphasize the consequences of taking action when uncertain of -- or under misapprehensions regarding -- the consequences of such action. The Soviets probably undertook this initiative either in the expectation that the US would accept it or in the belief that the US reaction could not be so accurately predicted as to preclude making the effort. In the international atmosphere of early 1962, when the Cuban move was planned, the Soviet leaders were still riding high, and the US probably appeared to them to be uncertain and cautious. The US had chosen not to run the political risks necessary to save the Bay of Pigs expedition, the US had accepted the erection of the Berlin Wall with little more than verbal pyrotechnics, and the US had accepted the neutralist solution in Laos. US formal statements regarding Cuba conveyed an air of studied uncertainty. In military planning, despite substantially increased programs of missile deployment, the US was advocating a greater conventional capability and a counterinsurgency program. Thus, it probably appeared to the Soviets that the diplomatic and military stance of the US was that of a power seeking to avoid confrontation and fearful of its consequences, and perhaps therefore a power which could be subjected to a series of setbacks without high risks of forceful resistance.

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8. The rapidity and magnitude of US mobilization after the missile installations were identified, and the firmness and sureness with which President Kennedy dealt with both Khrushchev and Castro, no doubt surprised both; the misconceptions of the Soviets were dissolved and the missiles, bombers, and military forces withdrawn. Thus, the Cuban missile crisis helped to reduce the uncertainties or misapprehensions under which the Soviets had operated. The effect is likely to persist for some time, and the unmistakable effort of President Johnson to demonstrate the continuity of US policy will contribute to its persistence. But some uncertainty will always exist; it is in the nature of arms and politics in this era. Each situation is to some degree a special one. Other crises can arise in which the dimensions of interest and determination on each side will be different, and these differences may permit uncertainties and misapprehensions to play a critical role in policy determination.

9. The Cuban affair following upon the failure of other Soviet foreign policy initiatives of the past few years must have caused the Soviet leaders to become somewhat disillusioned about the utility of the strategic military power which they had striven so hard to acquire. To be sure, possession of this power contributed greatly to Soviet prestige and established the USSR in a position of strength

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far above that of any other nation except the US. But the Soviets almost certainly believed that an intercontinental striking capability plus an arsenal of high-yield nuclear weapons would bring tangible benefits, preferably in the solution of such problems as that of Berlin on favorable terms. They must have expected to achieve at least a better bargaining position and a greater capacity to frighten or to blackmail smaller powers into acceding to Soviet wishes. This has not occurred; moreover, the US in response increased the tempo and size of its own arms program, thus confronting the USSR with the need to pursue still more costly programs if it was not to fall further behind. Thus while strategic military power has become substantial on both sides, it has not been particularly useful in the achievement of objectives beyond that of maintaining the strategic balance itself.

10. The acquisition of substantial strategic power by both sides has not only depreciated the value of strategic power in the achievement of particular objectives; it has also come to circumscribe the use of other instruments of military power. It has become increasingly difficult for either of the great powers to project its military power in conventional form into other areas of the world or into disputes which may arise. Any movement of military power into a new area -- and particularly into an area geographically

proximate to the other -- tends to be regarded as one which threatens to upset the world balance of power or to alter the political alignment in the area concerned.

11. This situation -- namely, the appearance of new inhibitions upon the freedom of action of the great powers both with respect to brandishing their strategic capabilities and projecting their conventional ones -- has caused the secondary and minor powers to view their own military capabilities in a more sanguine fashion. Some of them, believing that this provided them an opportunity for developing greater stature and influence in their own regions, have sought to acquire modern arms from the great powers; others have developed their own. Egypt and Indonesia, for example, have very substantially improved their capabilities through the acquisition of Soviet arms. France embarked upon a nuclear weapons program in the apparent belief that in this way it could improve its base for playing a more independent role in world affairs.

12. Weapons acquisition and development programs of this type have in fact enabled some of their possessors to play a somewhat more active role in their regions or in world affairs. It has made them more secure at home and has made them forces to be reckoned with by the peacemakers. Nevertheless, these programs probably have not and probably will not fulfill all the hopes which have been

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placed in them. A nuclear capability in the hands of other than the two great powers is a nuisance and a potential trouble maker, but it is not much of a factor in the world balance of military power or indeed in the respect accorded to its possessors. On the regional level, those possessing significant military capabilities tend to deter each other or to be deterred by the possibility of great power or UN intervention should open hostilities occur. Leaders of these smaller powers are beginning to recognize these limitations upon their actions, and tend to limit military activities outside their own lands to such expedients as the shipment of arms, the dispatch of instructors, or the training and use of guerrillas.

13. This does not mean that military power in the hands of the great powers or of the lesser ones has become or is becoming a matter of minor importance in international politics. The Soviet leaders may have become somewhat disillusioned about the value of their strategic power in the resolution of disputes; the great powers may have found it very difficult to project even their conventional forces into situations around the world where they have an interest; the lesser powers may not realize all the benefits they expect from the acquisition of greater capabilities. But possession of military power remains a major, though perhaps not a predominant, factor in determining a nation's role on the world stage. In the case of the

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two great powers, the possession of substantial capabilities is indispensable to their security and to the maintenance of their positions of leadership. What is happening is that the use of military power is increasingly being inhibited because of its growing magnitude and because of the risk that any undertaking involving the active use of force may involve extremely high stakes. This situation may not obtain indefinitely; the Soviets, for example, would almost certainly seek to derive full advantage from any scientific or technological breakthrough in weaponry which they might achieve. Nevertheless, for the present, the military situation in the world -- plus the problems which the Communist world is experiencing today -- suggests that the likelihood of a military confrontation between the great powers has been somewhat reduced.

III. PROBLEMS OF THE COMMUNIST WORLD

14. The obvious problems within the Communist world today are also spectacular ones: the open quarrel and exchange of polemics between the two great Communist powers; the magnitude of the economic failure in China -- so great that it led to thousands of people pushing against the gates of Hong Kong; the spectacle of the USSR, after the boastful claims and plans of a few years ago, coming to the West hat in hand to buy wheat and to ask for long-term credits. These

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phenomena are not passing difficulties, nor are they merely the consequences of misfortune. The source is deeper, and the problem will not soon go away. It lies fundamentally in the nature of communism itself, how it should be defined, how its objectives should be translated into reality, whether it can be made to work.

15. What communism is and what policies should be followed to bring it about have always been subjects of debate within the European revolutionary movement. There have always been dissidents claiming descent from Marx, and in Russia itself there were a variety of groups and doctrines which persisted after the Bolshevik seizure of power and were only gradually overwhelmed. Yet even the dissenters sought unity; they believed that true communism was not susceptible to a variety of interpretations. In Stalin's time Communist unity existed, partly because of Stalin's measures to enforce conformity and partly because there was no alternative center of authority. During the last twenty years this singular situation has ended. The expansion of communism brought a diffusion of political power and a concomitant dissipation of doctrinal authority. Moscow's influence remains substantial, but its authority has greatly diminished. First Yugoslavia and then China exhibited the phenomenon of heresy allied to national power, and Moscow was unable to compel obedience.

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16. The process of debate and redefinition going on today is distinguishing one national Communist party from another and one regime from another; it is creating diverse currents of opinion within the various parties and regimes; above all, it has openly split the Communist movement into two warring camps and created within each of these camps satellite groups which distinguish themselves to some degree from its leadership. All the causes of this -- in addition to the expansion of communism and the historical termination of Moscow's unique position as the only Communist capital -- cannot be discussed here. One major factor is certainly the diversity in the world itself. Despite its claim to universal truth, Communist doctrine simply can not apply equally to all national circumstances; some individual parties and leaders have found it necessary to adjust their doctrines in order to make their system work where they have won power or to prevent the party's decay as a political force where they were seeking power. Another factor of great importance is nationalism, which orthodox Communists have always considered an outmoded evil associated with the capitalist system. Yet, in attempting to create Communist societies, the Communist leaders themselves have come increasingly to conform their doctrinal positions and their policies to the historic national policies of their states.

17. The absence of a center to enforce orthodoxy has produced, not only doctrinss which in the previous era would have been heretical, but the prostitution of doctrine to parochial concerns. The Sino-Soviet schism, the association of Albania with China, the ambivalence of North Vietnam, the independence of Yugoslavia, the growing divergence of the Eastern European states from the Soviet model, the tendency of Western European parties to criticize Moscow and to develop their own political programs, the competing influence of Castroism in Latin America -- all reflect peculiar national or regional interests. In some cases these phenomena may be excused as tactical variations, but often they have been elevated to the level of doctrinal differences. We can confidently expect that this situation will continue and that communism in the future will come to possess still less doctrinal uniformity than it now has. Indeed, the national and doctrinal antagonisms which exist may occasionally lead to armed conflict; the Communist world may come to be as diverse and undisciplined as the non-Communist world.

18. An even more serious and certainly more immediate problem than that of disunity is the problem of making the Communist economic system work. A Communist system may be very effective for bringing a backward society quickly up to date in terms of infrastructure and basic industry, but it is evidently not very good for achieving adequate agricultural production; many aspects of agricultural

production require the attention and devotion which collective organization does not inspire. Moreover, as Communist societies become increasingly large and complex -- in short, when they become developed -- the central planning and organizational methods which worked during the period of initial economic development tend to break down. These two problems have plagued the Soviet system for some years and have survived all the expedients improvised to deal with them.

19. In more specific terms, Soviet growth rates have declined in the 1960's. The investment rate has fallen, defense costs have risen, and agricultural output has failed to keep pace with growing demand. Livestock has been prematurely slaughtered, the Soviet leaders are buying grain in the West, and a large-scale program designed to quadruple fertilizer production has been initiated. In order to finance the external purchases involved, the Soviets have drawn down their gold reserves and are seeking foreign credits. None of this means that the Soviet economy is about to collapse; these are symptoms of disease, but there are no indications that the disease will prove fatal.

20. The problems of Communist China are infinitely worse. The Chinese have recovered somewhat from the disasters of 1960, 1961, and 1962, but the prospects remain poor. The population is

immense and bound to grow without check for many years to come; arable land is short and weather unreliable; economic experiments based upon ideological predilections and revolutionary compulsions have complicated what were already intractable difficulties. The Chinese are devoting increased attention to agriculture, but it is doubtful that per capita consumption can be significantly increased for many years to come. Industrial development is greatly handicapped by failures in agriculture and by the absence of large-scale outside aid. The economy is not on the verge of collapse, but it is becoming increasingly apparent that Communist China, as now ruled, will at best make only slow progress. At worst, starvation, disease, and political disaffection could bring about a violent upheaval.

21. While the grave economic problems which China faces may in time destroy the regime as we know it, they are not all to be attributed to the policies which the Communist regime has adopted. Any regime would have staggered under the enormous problems of population and food supply. By contrast, the economic problems which the USSR confronts are tractable, but it is still uncertain that the USSR can solve them without fundamental changes in its ideological outlook. A fertilizer program will increase agricultural production, but it will not make the collective farmer a happy and a constructive worker. Continued detailed central planning will keep the economy

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going, but it will not keep it going very efficiently. There have been some indications that the Communist leaders in the USSR may be gradually coming to realize that they must make some adjustments. The practices of Yugoslavia have been noted and perhaps taken to heart; greater contact with the West and with Western scholars may convince them that more flexible methods of planning and control will give greater production and stimulate greater initiative. Meanwhile, Soviet economic problems have contributed to some greater prudence in Soviet policy and particularly to the current Soviet efforts to create a more friendly atmosphere in US-Soviet relations.

IV. EMERGING TENDENCIES WITHIN THE ADVANCED NON-COMMUNIST STATES

22. The disunity, indiscipline, and decline in ideology which have developed within the Communist world have been matched by a similar development in the West. The Atlantic alliance has suffered a further lessening in its unity of purpose, the UK has been rather rudely disinclined to participate in the European Economic Community, and US influence in Europe has been reduced. At the same time, within the various Western European states, conservatives have become more liberal and radicals less revolutionary. Along with a decline in the intensity of domestic politics, there has developed a greater readiness to experiment with economic questions and to pursue foreign

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policies based upon national interest rather than upon those of the Atlantic community as a whole. These changes derive in part from the reconstruction and growing strength of the European economies; they also reflect the personal characteristics of the new leaders who are arriving on the European scene.

23. Even before the decade of the sixties began, France began a major crisis of regime. General de Gaulle now thoroughly dominates the French scene, the old political parties have decayed, the French colonial system has been largely liquidated, and the French governmental system has been remodeled. It is still not possible to determine whether Gaullism as a political force will remain an essential element in the political system, but de Gaulle's impact upon France, together with the fundamental changes in French life and attitude which have occurred in the past few years, make a full return to the old ways most unlikely.

24. Within the last year significant changes in German and Italian politics have occurred. The Adenauer era has ended under conditions which augur well for the future. Erhard has taken over with firm hand, and though the country faces parliamentary elections next year, there is a stronger national consensus and less domestic bitterness than under his predecessor. In Italy, a

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new political experiment has been undertaken by the leaders of the Christian Democratic party in forming a coalition with the Italian Socialist party, which in turn has broken its political ties with the Italian Communist party.

25. These changes -- the readiness of France to accept a national leader, the strengthened national consensus in West Germany, and the successful creation of a Socialist-Catholic coalition in Italy -- reflect what appears to be a new desire not to get bogged down in ideological debate, a recognition that revolution might destroy more than it accomplished, and a willingness to accept society's institutions as a basis for going ahead with progress and reform. This is not to say that there is a general acceptance of things as they are, but there appears to be a growing tendency among leftists and younger leaders to shun wholesale revolution and to move at a prudent pace.

26. One cause of this new cautious attitude toward revolutionary change has been a realization that it was not necessary to nationalize industry and finance in order to achieve the objectives of socialism, and that much the same ends could be achieved through welfare programs and through proper use of the mechanisms of modern fiscal and monetary systems. Perhaps more important is the fact

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that the economies of Western Europe have continued to expand at a fairly rapid rate and that new economic arrangements were being forged and institutionalized -- to the benefit of nearly all Western Europeans -- through the Common Market. The Common Market has now reached the point where it is determining many aspects of the economies of its members; moreover, the process is already so advanced that it is almost irreversible. The only questions are those of who shall benefit by the readjustments which are being made.

27. Another factor which has contributed to the declining appeal of revolutionary doctrines is the change which has occurred within the Roman Catholic Church since the accession of John XXIII. His response to gestures from the Communist states (gestures prompted largely by a Communist recognition that the Catholic populations of Eastern Europe were not giving up the Church and by a consequent desire to develop some kind of modus vivendi), his willingness to accept an "opening to the left" in Italian politics, his apparent willingness to accord the national episcopates greater freedom, and his encouragement of ecumenism -- all these have contributed to a reduction in confessional tensions and a decline in anti-clericalism as a political force. Above all, they have given the Roman Catholic Church a new image, one of liberalism and progressivism, and thus reduced the appeal of the prophets of revolution.

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28. This generally more tolerant and more flexible approach of Europeans to political, international, economic, and religious questions has had a number of significant consequences. The movement toward European political unity of the type widely discussed fifteen years ago has been slowed; many of those who were previously drawn to the idea now see better chances of progress within the national context. Such movement toward political unity as appears from time to time now seems to be directed more toward controlling the Brussels bureaucracy or toward providing another forum for the assertion of national interest than toward the creation of true central institutions.

29. The new European attitudes have also given a somewhat greater respectability to the Communist states of Eastern Europe and to the Marxist parties of the West. In West Germany, for example, it became possible to accept negotiations with the East Germans over the issuance of Christmas passes to East Berlin and to hope that this might be a step toward resolution of the Berlin problem. In Italy, it became possible for Catholics to vote for Marxist parties and to enter a government with Marxian Socialists. It has become possible to consider long-term credits to the USSR and the Eastern European countries. In general, it has stirred new hopes that an East-West accommodation can somehow be developed which will enable Europe as a whole to live in peace and prosperity.

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30. One major consequence of changes in the leadership and attitudes of the Western Europeans is the changed role of the US in European affairs. De Gaulle's foreign policy is clearly designed to reduce that role and to enhance that of France. He sees himself as an historic figure who will not only restore France to its rightful place in world councils but use that position to resolve some of the world's problems. De Gaulle's objectives are not shared by his neighbors, but they have increasingly come to share some of his precepts -- particularly his opposition to standing still while the USSR and the US determine the fate of Europe and his preachments that Europe can and must develop its own power and solve its own problems. Nevertheless, not de Gaulle and still less his neighbors are ready to hazard their own security by destroying NATO or so weakening it that it loses its deterrent value. All the European members of NATO but France still regard the predominant US position in the alliance as an indispensable element of their security. This does not mean that they will always accede to US wishes or make concessions to help the US solve its problems. US proposals, such as that for the multilateral force, are examined with care and even skepticism. On the other hand, US trade and balance-of-payments problems are understood, and there has been some effort to ease them.

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31. Finally, the differences between the US view of the world situation and that of the Europeans have become even more striking than in the past. Most Europeans have always viewed the Communist threat in a somewhat different way; it has always seemed to them that the US overestimated the danger of military attack and underestimated the Soviet reluctance to become militarily engaged. They have always believed that it was the threat of force combined with domestic subversion and diplomatic maneuver which was the preferred Soviet strategy in Europe. Thus, most of them have tended to look upon the Atlantic alliance and the presence of US forces in Europe less as a defensive arrangement and more as a deterrent to threats, coups, or a collapse of will. They have believed, and continue to believe, that the principal problem of the alliance is to strengthen its deterrent effect by providing a greater measure of European control over its military forces and particularly over its nuclear strategic arm.

32. In more recent years, as the US has become increasingly engaged in disputes and undertakings all over the world, they have felt that the deterrent effect of the alliance has been somewhat dissipated. They view disputes between the US and the USSR outside Europe as peripheral to the vital interest of both the US and

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Europe. They do not want the US to be defeated or humbled outside Europe, but neither do they wish the US to create, or to allow itself to be confronted with, issues of a critical character outside Europe. They are inclined to believe that the US makes too much of Latin American, African, and Far Eastern problems, that it overdramatizes them and makes them more significant than they really are, and that steps should be taken to minimize, to quiet, or to neutralize them. France in particular, but the UK and the others to some degree also, would prefer to calm the situation in the Far East by dealing with China, North Vietnam, and North Korea, would prefer to treat the new leaders in the under-developed areas with less obvious sympathy and more severity, and would prefer the US to take a more cavalier attitude toward Latin American revolutionary developments.

33. The only large and developed non-Communist nation outside Europe and North America is Japan. It stands in splendid isolation in the northwest Pacific, carrying on the bulk of its trade with the West, still distrusted by its non-Communist Far Eastern neighbors, and still distrusting and distrusted by its two great neighbors, Communist China and the USSR. Japan has shown amazing political stability and vigorous economic growth.

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Democratic political institutions seem to be taking root, leftist political factions have been growing at only a moderate pace, and rightist extremism is still small and ineffectual. Nevertheless, Japan has still not found a national soul to replace that cast out with the defeat of 1945. Old cultural concepts and practices are rapidly being discarded, but there is no consensus on new ones. The nation almost certainly will one day confront the question whether it will continue to be a cooperative client of the US with a Western culture or whether it will become an Asian power with a new national culture and forging a different kind of relationship with its Far Eastern neighbors. It is still too early to determine which course it will follow.

V. PROBLEMS AND TRENDS IN UNDERDEVELOPED AREAS

34. While the powerful and developed nations of the northern third of the world have been coping with the problems of military power and moving with both greater prudence and flexibility toward political and economic change, revolution and disorder in the southern two-thirds of the world have been intensifying. In four major areas, Latin America, Africa, the Near East, and Southeast Asia, indigenous political forces -- in some cases with the assistance and encouragement of other powers -- were overthrowing governments, forming political alignments, and impinging to a degree hitherto unknown upon the concerns and even vital interests of their more powerful northern neighbors.

35. There remains a large common denominator among the countries of the underdeveloped world despite the cultural and historical diversity which exists. Nearly all these nations are beset by problems arising from rapid population growth, lack of development capital, rising popular expectations, internal political strife and competing ideological pressures, lack of administrative and technical competence, and an inadequate sense of national identity. Many have adopted strongly socialist methods; some have held to constitutional methods with only the greatest difficulty and others have abandoned them; some have thrown out bloody dictators

and some have acquired them. Most profess some form of neutralism; only a few have chosen to ally themselves with one or other of the major powers. Despite these general similarities, it has become increasingly apparent that each of the major areas of the under-developed world has developed political forces and tendencies more or less peculiar to its particular problems, geographical location, and political history.

Latin America

36. The pace of social and economic change in Latin America has greatly quickened during the past few years. In some countries, industrialization and the more rapid pace and broadening base of economic activity in general have enlarged both the middle class and the urban proletariat. Rapid population growth and migration to the cities have created large slums and large numbers of restless and disaffected people. In those countries still largely under-developed and governed by the traditional ruling classes, pressures are developing for modernizing society. Nearly everywhere in Latin America there is a high degree of political instability; the combination of strong pressure for change from growing numbers of dissatisfied people, revolutionary plotting, and the very difficult economic problems which most countries confront have

kept the political pot boiling and will continue to do so for many years to come.

37. In most countries where this high instability exists, the causes and the political forces involved are almost exclusively indigenous. The Communist parties of Latin America are for the most part under Moscow-oriented leaders, incapable of overthrowing or exercising strong influence in any regime, and largely unsuccessful in acquiring a mass following. The Castroist groups which have come into existence have greater appeal to the growing mass of poverty-stricken and frustrated urban and rural workers. The promise of quick success through force and terror has proven more attractive than the more rational plans and more deliberate pace which the Communists have adopted. While Castroist-type movements have been aided and encouraged by the Castro regime, for the most part their activities and their doctrines arise from their own passions and from the example of Cuba.

38. The political elements which pose the most serious threat to existing regimes -- whether they are traditionalist or progressive in character -- are not those who call themselves Communists or Castroists, but leftist-nationalist groups who blame their own and their nation's troubles upon what they believe to be an alliance of foreign --especially US -- capitalists with local

land-owners, military leaders, and political adventurers. These forces represent, for example, the Peronist tradition in Argentina and the Brizola group in Brazil; their political program is strongly anti-US and leftist in ideology and demagogic in method. They attack progressive and traditionalist regimes alike and they are not reluctant to accept Communist and Castroist support.

39. In a few places there are encouraging signs of more responsible forces for change developing. Some countries have genuinely accepted the Alliance for Progress concept and are pushing toward its goals. In some countries groups and individuals striving for change have joined in the Christian Democratic movement and are acquiring significant political influence. President Betancourt of Venezuela not only survived a long and intense terroristic attack from Communist and Castroists, but succeeded in his goal of a peaceful transition to a freely-elected successor.

40. Nevertheless, the Latin American scene as a whole will probably continue to be marked by civil disturbance, plotting and counterplotting, political warfare, and terrorism. Some of the leftist-nationalist forces may succeed in acquiring power. Those revolutionaries who take Castro as their model, inspiration, or guide will exploit whatever opportunities are open to them, either

within the leftist-nationalist movement or among the dissatisfied and frustrated masses. In some cases, military leaders of a more traditionalist character will seek to head off leftist-nationalist and Castroist groups by establishing military regimes; the consequence of this may be to drive the moderate revolutionaries into the radical camp. In any event, the presence in the Western Hemisphere of a Communist state backed by the USSR will continue greatly to jeopardize US interests throughout the continent and to complicate the problems of US diplomacy.

Africa

41. The situation in Africa is at least as unstable as that in Latin America, but considerably less suffused with a disposition toward revolutionary change. The African states are by and large less developed. There are fewer educated people and fewer technicians; the middle class is small; the urban proletariat, though growing rapidly, is less class-conscious and less aware of its power. Revolutionary groups on the classic model are small or non-existent, and there are few Communists. Plotting and violence occurs, but they are not usually directed against the existing social and political system; their aim is usually simply to replace those enjoying the privileges of office by others who would like those

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privileges themselves. Often the atmosphere of political developments is that of the comic opera rather than that of social crisis.

42. There are many problems in Africa which will cause serious difficulties. Nearly everywhere there is governmental weakness, ineffectiveness, corruption. Economic growth is slow, and many economies are virtually stagnant. The countries of northern Africa are over-populated in terms of available resources; the race problem will cause great troubles in southern Africa; nearly everywhere development capital is scarce and qualified people are few; expectations are rising and unlikely to be fulfilled; many cities are full of semi-literate unemployed people who are still unaroused and complacent. There have been assassinations and assassination attempts, a few governments have been changed, some leaders are in danger of overthrow, and some have clamped down on the opposition to protect themselves. Many situations such as those in Algeria, the Congo, and the Horn of Africa are very fragile. Nkrumah is an unstable man who has created and will create considerable instability in West Africa. Even nations led by mature and able leaders, such as Nigeria and Senegal, have deep divisions. Developments of the type which recently occurred in East Africa will be probably repeated there and elsewhere; "reliable" regimes left

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behind by the departed colonial power will be thrown out, and the succession will be a source of conflict between leftists and moderate nationalists.

43. Some of the new states in Africa may continue to be relatively stable and may even grow in strength. But in most of the continent the picture appears much more clouded than it did a year or two ago. There are likely to be many more eruptions of violence and perhaps some changes of a major character. By and large, the drift seems to be toward political and social chaos. Although revolutionary forces of a serious and dangerous character remain largely undeveloped or unmobilized, the milieu is one in which these forces may become suddenly generated and difficult to control. The area is certainly becoming increasingly vulnerable to meddling from the outside.

The Near East

44. Arab nationalism is still seeking a form and definition acceptable to all. It has become increasingly apparent that no one of its competing doctrines or models is likely to win an early or decisive victory. Nasser remains secure in his own country and seems to be making progress in reforming and developing it, and he remains an important symbol of the Arab revolution. Yet no

other Arab country appears likely to accept him as its leader or Egypt as its model. While, by contrast, the Baathist movement is inter-Arab and not based upon single-nation dominance, it lacks the strong popular base upon which to construct a new Arab political union. Nevertheless, the idea of an "Arab Nation" persists, and the belief in a wholesale reconstruction of Arab society continues to dominate the political thinking of intellectuals and middle-class Arabs everywhere. The monarchies in Jordan, Saudi Arabia, and Libya are making in varying degrees some efforts to modernize, but even in the most energetic of these, namely Jordan, the monarchy itself could be swept away by the forces it is releasing and encouraging.

45. It will be a long time before the political turmoil among the Arabs subsides. The various political currents and the various national interests are likely to remain in conflict for some years to come. While the monarchies and the sheikdoms, so long as they persist, are likely to remain fairly accommodating to Western interests, especially Western oil interests, there is likely to be a continuing and steady pressure to bring the Western powers into a more supplicant posture. At the same time, the Arabs are not likely to move to terminate oil contracts or so to hinder oil company operations as to cause the companies to withdraw or curtail

exploitation; they know they need the oil revenues and are beginning to appreciate the importance of the companies in the marketing of oil. Also, despite their unwillingness to make peace with Israel, they continue to recognize the danger of forceful action against Israel. They respect Israeli military power, and some at least realize that the West would prevent them from destroying Israel even if they could. Thus, while turmoil will continue as the Arabs quarrel among themselves and apply pressure on the West, the chances are good that this turmoil will not spill over into conflicts likely to be seriously damaging or critical for Western interests.

46. In two of the non-Arab states of the region an interesting political experiment is underway. The royal regimes of Iran and Afghanistan have become, at their rulers' initiatives, instruments of revolution. The more dramatic case is that of Iran, where the Shah has turned against both the upper and middle classes, made common cause with the peasants, and begun a large-scale land and political reform. His effort seems to have flagged in recent months, but there is no sign of his turning back. Indeed, the Shah is so committed that he can turn back only with considerable risk; if he fails or falters, his regime may go down with his program. In Afghanistan, the royal initiative has been less dramatic and more deliberate. Steps toward more rapid modernization and

toward political reform are being taken cautiously, and there are a number of difficulties to be surmounted. As the pace of change accelerates so will the pressures for its continuance; it is still too early to determine whether the King will have the courage to go ahead when the going gets harder.

47. Developments affecting India which have occurred during the past few years are an interesting example of the manner in which changes in the Communist world have led to a major change in the structure of world power. The Chinese attack upon India in 1962, although to some degree a response to Indian provocations, was nevertheless opposed by the USSR and inconsistent with Soviet policy toward India. The Indian leaders, despite their protestations of neutralism, turned to the US and UK for military assistance. This obliged the USSR to extend additional military aid to India to protect its stake, and this further aggravated Chinese-Soviet relations. US aid to India in turn upset the Pakistanis, who feared the consequences of Indian rearmament. The Pakistanis then proceeded to improve their relations with China at the expense of their hitherto cordial relations with the US. Thus, while the formal relations among the powers involved have undergone but little change, in fact the structure of power, and especially the international posture of India, has fundamentally changed.

Southeast Asia

48. Of all the underdeveloped areas of the world, that in which the major world powers are now most critically engaged is Southeast Asia -- an immense area extending from the Indian subcontinent to Melanesia. The two major problems in the area, the future of Indo-China and of the great island areas to the south, involve China, the USSR, Britain, the US, France, and Australia. The problems of this area have loomed large in world affairs since the end of World War II; they are now reaching critical proportions. The major change of the past few years has been the growing inability of the great powers to control the situation. Local leaders and local political movements have become increasingly powerful -- in large part as a result of the receipt of military material from foreign sources -- and less disposed to follow the dictate or advice of others.

49. The guerrilla war in South Vietnam is in its fifth year and no end appears in sight. The Viet Cong in the south, dependent largely upon their own resources but under the direction and control of the Communist regime in the north, are pressing their offensive more vigorously than ever. The political mistakes of the Diem regime inhibited the effective prosecution of the war, which is really more of a political contest than a military operation, and led to the

regime's destruction. The counter-guerrilla effort continues to flounder, partly because of the inherent difficulty of the problem and partly because Diem's successors have not yet demonstrated the leadership and the inspiration necessary. There remains serious doubt that victory can be won, and the situation remains very fragile. If large-scale US support continues and if further political deterioration within South Vietnam is prevented, at least a prolonged stalemate can be attained. There is also a chance that political evolution within the country and developments upon the world scene could lead to some kind of negotiated settlement based upon neutralization.

50. Larger stakes are involved in the contest between Indonesia and Malaysia. The ostensible issue is the future of the territories of northern Borneo, but Sukarno and his Indonesian supporters appear to have more fundamental objectives in mind. Among other things, they fear Malaysia and particularly the greater energy and efficiency of the Chinese in Singapore and North Borneo, who they believe will come to dominate the new state. Believing as they do that Indonesia is the greatest nation in the area and feeling a new strength from the acquisition of Soviet arms and the successful termination of the West New Guinea Affair, they also believe that they cannot tolerate a rival state which could become a magnet to the diverse peoples of Indonesia itself. Above all,

they hope to make Indonesia a great world power able to negotiate in equality with China, the USSR, and the US -- after having destroyed Malaysia and having brought the Philippines and the mainland states under Indonesian hegemony. The struggle will not be easy for Indonesia. Its economic problems will be intensified, and the interested Anglo-Saxon powers will try to prevent Malaysia and the Philippines from falling in behind Indonesian designs. But Malaysia, too, will have its problems. There is serious doubt that it can attain its main purpose, namely, to create a state controlled by Malays which will utilize the energies and ingenuity of the Chinese without allowing them to dominate. The outcome seems likely to remain uncertain for years to come.

51. French initiatives in Far Eastern politics have added a new factor to an already unclear picture of great power influence. British influence in Malaysia and the still strong US position on the mainland are a brake upon both Indonesian aspirations in the south and Chinese designs in the north. The USSR, while it has not entirely given up its efforts to retain some influence in Laos and North Vietnam, has evidently decided that its position is too weak to enable it to strive for decisive influence on the mainland; in any case Indo-China is not a good place for the Soviets to challenge Communist China. They have sought instead to gain

influence in Indonesia, in part to block the Chinese, but even so they probably regard their Indonesian policy as a low cost venture for a potentially high profit rather than as a matter of vital concern. The French recognition of China, in the context of its continuing position in Hanoi and its quiet activities in Laos, Cambodia, and South Vietnam, may not involve an intention to take further diplomatic steps in the near future, but it does set up conditions under which de Gaulle, if he chooses, can move gradually toward the creation of new equilibrium in the Far East and particularly in Southeast Asia.

VI. SOME IMPLICATIONS OF THE NEW RELATIONS OF POWER

52. The preceding paragraphs clearly indicate that the structure of world power -- which had already undergone profound changes during the 1950's -- is again undergoing major modifications. The fact that the two great powers have found it difficult to bring their very substantial military power to bear in order to achieve their objectives, or to project this power into parts of the world where they have an interest, has had important consequences. It has deterred the major powers from undertakings which might call their military capabilities into action. This in turn has enhanced the role of discussion, diplomacy, and negotiation at the great power level. At the same time, the natural centrifugal

forces within the major power blocs have been released and the rising national and cultural forces outside the two major power centers have been accelerated. These forces within the two power blocs were probably bound to emerge in time, but the changing relation of military power has helped to free them.

53. Such phenomena as the gathering strength of India, the continuing vision of Arab nationalism, the increasing importance of African and Latin American developments in world affairs, the growing proclivity of emerging nations such as Indonesia to plow an independent course, all these represent a strong secular trend which is probably irreversible and which in itself has depreciated the role and influence of the great powers. As a consequence of these phenomena and of the progressive disintegration of the two power blocs, a pluralistic world order is rapidly coming into being. World power is proliferating, divergencies are emerging, and diversity has been encouraged.

54. It would be easy to go too far in appraising the results of these changes in the structure of world power. The strategic situation in the world does not make general nuclear war impossible, but it makes it a highly irrational method of resolving international disputes. The fact that the Communist world has become undisciplined will not force it to abandon communism

or to renounce its objectives, but it makes progress more difficult and inhibitions more compulsive. Discord within the West is not destroying NATO or undermining the predominant role of the US in the non-Communist world, but it is forcing the Western nations to recognize the underlying diversity of their concerns. The rise of independent nationalisms and centers of power outside the North Atlantic basin does not foreshadow a great decline in Western influence, but it does greatly reduce the chances that Western political concepts will gain wide acceptance.

55. The Soviet leaders themselves appear to have come to a new appreciation of the world situation. In the months following the Cuban crisis Khrushchev was apparently under some attack at home and apparently won his battle. The battle was probably not so much over his personal position as it was over the domestic, intrabloc, and foreign policies the USSR should follow. The result was a decision to hold the line on defense expenditures, a determination to stand fast against Chinese and Chinese-inspired attack upon Soviet policies, and a decision to seek better relations with the West in general and the US in particular. While this stance may persist for some time to come, particularly since it derives from a recognition of factors which are unlikely to change in the short

term, it does not in itself signal a broader withdrawal of the USSR from its basically hostile attitude toward the West or from its revolutionary goals.

56. Even as the Soviet leaders were conforming their policies to the changing atmosphere and power relations of the world, Western leaders were doing likewise. President Kennedy's style and approach, and particularly his capacity to combine firmness with restraint, both encouraged the Soviets to seek a new kind of relationship with the US and made clear the limits of American patience and hopes. General de Gaulle, now pre-eminent in Europe and driven by a sense of historic mission, has moved with boldness and stubbornness not only to reconstruct France, but Europe as well. De Gaulle's policies and manner are widely deplored in the West, particularly because of their effect upon the Atlantic alliance and because of their patently nationalist motivation. But de Gaulle is probably also convinced that his policies are right, and that, in the present world context, they will lead to a new and preferable world equilibrium.

57. Despite these changes in the world situation and in the manner in which the world's leaders look upon it, the danger of a general nuclear war with all its horrible consequences will continue to be the overriding problem of our time. This danger

will continue to arise, as in the past, not from a deliberate attempt to destroy a competitor, but from undertakings and occurrences of a more limited character. The problem of calculating the risks involved in such undertakings and occurrences will remain a major concern of policy-makers.

58. In any event, the problems which will increasingly preoccupy policy-makers will be those which arise from the diversity of interests which has developed and the proliferation of power which has occurred. Events similar to those which recently occurred in East Africa and Panama will flare up in the many places which continue to be unstable. Often an event occurring through accident or irrational action will trigger political developments throughout an entire area and provide opportunities for political adventures or revolutionaries who otherwise would have remained obscure and ineffectual. Aside from alarms and excursions of this nature, tensions are likely to flare up from time to time over the many continuing problems of international politics -- Berlin, Cuba, Vietnam, et al. Some may produce open military confrontations between the great powers despite the strong interest of both sides in not permitting such confrontations to develop.

59. Indeed, despite any disinclination to get involved in crises or any interest in a detente which may exist, the

situation in most of the underdeveloped world is so disorderly that many situations are likely to develop from which the great powers will have difficulty remaining aloof or which they will have difficulty controlling if they do get involved. Individuals and groups calling themselves Castroists or Communists might stage revolutionary attempts or initiate guerrilla movements, not on the orders of Moscow, Peiping, or Havana, but in the hope of gaining their support. Similarly, individuals and groups may organize or execute plots simply to gain US support. In some cases, of course, the instigation will have come from the outside, and in many cases support will be forthcoming. Once outside powers do become involved, whether by accident or design, crises can develop which will engage their prestige to a degree incommensurate with the intrinsic or strategic value of the area itself.

60. One consequence of this disorder and of the inhibitions upon open involvement is likely to be an increase in clandestine activities designed to influence the course of events in a desired direction or to block similar activities by other powers. In many places the situation may be so soft, the issues so undefined, and the parties so difficult to identify that outside powers will be unable to develop an acceptable rationale for intervention. Thus, many situations will be resolved by local leaders or groups

sponsored and supported covertly from the outside. This will be an attractive course of action, not only because of the inhibitions upon open intervention, but because it will often cost so little in money and effort if an investment is made early enough to be effective.

61. It is possible in the present context of Soviet policy -- particularly to the extent that this policy derives from the USSR's appreciation of the military situation and from its own difficulties at home and within the Communist world -- that some movement toward the settlement of some international issues will occur. But the obstacles to a general detente are very great, not only because of the key character of such problems as Berlin, but because of the new tensions and problems which will arise from the disorderly character of so much of the world. Thus, the US will probably be confronted with many serious challenges to its interests in many parts of the world and will have to live with the paradox that --while it disposes greater power than any nation ever had -- it is greatly inhibited in the use of that power to advance or to protect its interests.

62. Over the longer run, the chances are good that the gradual changes taking place in the USSR will diminish its

hostility to the West and the vigor of its revolutionary effort outside the Communist world. In particular, the climate of opinion within the USSR, the greater intellectual freedom permitted, the sensitivity of the regime to intellectual opinion and popular pre-occupations with peace and a better life, the greater weight accorded to national interests and conventional modes of international conduct -- all these have already contributed to the decline of Soviet aggressiveness and to a realistic appreciation of the nature of the modern world. This process of change may be slowed from time to time, or even halted, but it is probably irreversible. But whether it proceeds or halts, the evolution which has taken place, together with the changes which have occurred within the Communist camp and in the world at large, suggest that for the next several years at least the world may be replete with strife and disorder but not on the verge of nuclear disaster.